

**OPENING KEYNOTE ADDRESS BY SENIOR MINISTER AND MINISTER OF
INTERNATIONAL TRADE AND INDUSTRY, YB. DATO' SERI MOHAMED AZMIN ALI
ON "SPURRING MALAYSIA'S PRODUCTIVITY AND GROWTH AFTER THE COVID-
19 PANDEMIC" AT THE MALAYSIAN ECONOMIC SUMMIT 2021**

13 JULY 2021

**(READ BY DEPUTY MINISTER OF INTERNATIONAL TRADE AND INDUSTRY YB
DATUK LIM BAN HONG)**

I am pleased to read the keynote address on behalf of YB. Dato' Seri Mohamed Azmin Ali, Senior Minister and Minister of International Trade and Industry,

Yang Berbahagia Tan Sri Abdul Wahid Omar

Yang Berbahagia Tan Sri Michael Yeoh

Distinguished guests

A very good morning to all of you.

1. First and foremost, I would like to express my appreciation to the organisers for inviting me to give the keynote address for the Malaysian Economic Summit 2021, which sees the convergence of policymakers, businesses, and civil society to discuss economic challenges and opportunities for spurring growth, post-pandemic.
2. I believe a vibrant discourse with frank, candid and robust exchange of views will provide useful insight on what it takes to navigate out of this crisis so that the nation can emerge stronger and more resilient. I would like to congratulate the co-organisers KSI Strategic Institute for Asia Pacific and the Economic Club of Kuala Lumpur as well as the strategic and corporate partners for organising this event.
3. To begin with, it would be no exaggeration to say that the COVID-19 pandemic has caused the world economy disruption and damage the extent of which has never

been witnessed since the Great Depression. Further, in terms of the virulence of the pandemic, and the number of fatalities caused, COVID-19 is certainly among the most deadly of pandemics since the notorious Spanish Flu of 1918.

4. With the global economic environment heading south, and international financial institutions like the IMF and World Bank forecasting negative growth numbers throughout the world save a few, Malaysia remained in a precarious position, particularly for 2020. Being a fundamentally trading nation, the Malaysian economy was highly exposed to the challenges and vagaries of the global uncertainties brought about by the massive disruptions to supply chains and manufacturing activities. Under these circumstances, for 2020, our economic performance naturally came under tremendous pressure as in other parts of the world.
5. Nevertheless, despite the daunting challenges, the Malaysian economy became reinvigorated and is now on the path to recovery and projected to chart better growth for 2021. In the same way that we were adversely affected by a global recessionary environment for 2020, for this year, thanks to an uptake in global demand, increased public and private sector expenditure as well as continued policy support, the prospects for an economic upswing are far brighter. This will also be reflected in the recovery in labour market conditions and higher production in manufacturing, particularly in E&E and the oil and gas facilities.
6. Again, on account of Malaysia's open economy, I believe that enhancement of productivity and economic growth will be further underpinned by an improvement in the global technology upcycle, and policy support from various fiscal and monetary measures including the additional economic stimulus packages. This positive outlook is reinforced by the most recent forecast by the World Bank, which projected the Malaysian economy to grow by 4.5 per cent in 2021, albeit revised down from our own more robust Bank Negara projections.

7. Be that as it may, the fact is that our economic fundamentals remain resilient even during these difficult times, underpinned by our broad-based economic structure which lent strength to our competitiveness. For example, even for 2020, Malaysia was ranked 12th in the World Bank's Ease of Doing Business Ranking and 27th in the IMD World Competitiveness Ranking. Furthermore, we were ranked 4th among 17 economies as a manufacturing hub. This is significant because our services and manufacturing sectors account for 58 per cent and 23 per cent of the economy respectively, while the commodity sector accounts for 14 per cent, which reflects the increasing sophistication, depth and complexity of the Malaysian economy.
8. With our participation in the Regional Comprehensive Economic Partnership (RCEP), the world's largest trading bloc, Malaysia can potentially tap into 30% of the world's population as well as 30% of the global GDP of USD \$26.2 trillion. Malaysia can also look forward to the reduction in tariffs and bureaucratic red tape as well as the unification of rules of origins which will facilitate international trade in greater coherence.
9. Malaysia's trade performance continued its momentum by maintaining its upward trend in May 2021, with trade expanding by 48.7% to RM170.88 billion compared to May 2020. Exports surged by 47.3% to RM92.31 billion, the ninth consecutive month of year-on-year) expansion since September 2020. Imports, registered an increase of 50.3% to RM78.57 billion and trade surplus expanded by 32.3% to RM13.74 billion. Trade, exports and imports recorded the highest monthly value for the month of May and registered double-digit growth for four consecutive months.
10. Among others, sustainable productivity growth of the nation depends on productive capital, people, and the workforce. Measures to reshape Malaysia's workforce to be more dynamic, agile and resilient are vital to ensure a higher plane of productivity is achieved. Upskilling and reskilling programmes should be geared towards acquiring the in-demand skills.

11. Moving forward, Malaysia has formulated five National Investment Aspirations to serve as a framework for reinvigorating the national investment landscape as well as enhancing long-term national competitiveness.
12. In this regard, we aim to increase economic complexity by ensuring that Malaysia's economy is increasingly built on skills-based industries, with significant productive capabilities needed to create high-value products and services. We seek to create higher-value job opportunities for Malaysians, to ensure our people are equipped with sufficient skills required for the growing future economy.
13. We also intend to extend our domestic linkages through integration with the regional economy, and empowering more local businesses to better participate in the global value chain. We want investments that are interested to expand across the ASEAN region. In addition, we aim to develop new and existing clusters that play a fundamental role in driving economic spill-over which is key to delivering holistic ecosystem benefit.
14. Finally, we aspire to improve inclusivity by championing equitable growth for the nation, ensuring equal opportunities and adequate safeguards for the people. This aspiration seeks to unlock Malaysia's full potential, fundamentally lowering barriers to access as well as better integrating the economy.
15. We are already seeing the first fruits of the NIA with RM80.6 billion worth of approved investments in the manufacturing, services and primary sectors for the 1st Quarter of 2021. This translates into a surge of 95.6% in approved investments compared to the same period last year.
16. I believe the efforts to spur Malaysia's productivity and economic growth is a shared responsibility that must be borne by all stakeholders. We must play our respective roles to boost productivity and to accelerate the post pandemic recovery. MITI will

continue to support and do whatever is necessary to ensure that our industries continue to have the edge to compete productively and win in the regional and global marketplace

Thank You.